



# Auditor's Annual Report for The Police & Crime Commissioner for Bedfordshire and the Chief Constable for Bedfordshire Police

Year-ended 31 March 2024

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This report is addressed to the Police & Crime Commissioner for Bedfordshire and the Chief Constable for Bedfordshire Police (the Force). We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

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**01**

# **Executive Summary**



# Executive Summary



## Purpose of the Auditor’s Annual Report

This Auditor’s Annual Report provides a summary of the findings and key issues arising from our 2023-24 audit of the Police & Crime Commissioner for Bedfordshire and the Chief Constable for Bedfordshire Police (the ‘Force’). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by the Force alongside the annual report and accounts.

## Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. In line with this we provide conclusions on the following matters:



**Accounts** - We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Force and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the CIPFA/LASSAC Code of Practice in Local Authority Accounting (‘the Code’).



**Other information (such as the narrative report)** - We assess whether the other information is consistent with our knowledge of the Force.



**Value for money** - We assess the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the Force’s use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.



**Other powers** - We may exercise other powers we have under Local Audit and Accountability Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to valid objections received from electors.

## Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

|                          |  |
|--------------------------|--|
| <b>Accounts</b>          | <p>We issued a disclaimer opinion on the Force’s accounts on 28 February 2025. This is because we have been unable to obtain sufficient appropriate audit evidence over the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the accounts ahead of the statutory backstop date on 28 February 2025. Further details are set out on page 7.</p> <p>We have provided further details of the key risks we identified and our response on page 8.</p> |
| <b>Other information</b> | <p>Whilst in our opinion the content of the other information is consistent with the financial statements, we are unable to determine whether there are material misstatements in other information.</p>   |
| <b>Value for money</b>   | <p>We are required to give an opinion as to whether the Force has appropriate arrangements in place to secure economy, efficiency, and effectiveness in the use of resources.</p> <p>Our opinion is that the Force does have appropriate arrangements place. We identified no significant weaknesses in respect of arrangements to secure economy, efficiency, and effectiveness in the use of resources. Further details are set out on page 11.</p>  |
| <b>Other powers</b>      | <p>See overleaf.</p>   |

# Executive Summary



There are several actions we can take as part of our wider powers under the Local Audit and Accountability Act:

## Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Force is required to consider it and to bring it to the attention of the public.

**We have not issued a Public Interest Report this year**

## Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Force is taking. We may also apply to the courts for a declaration that an item of expenditure the Force has incurred is unlawful.

**We have not applied to the courts this year**

## Recommendations

We can make recommendations to the Force. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Local Audit and Accountability Act. If we do this, the Force must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Force does not need to take any action, however should the Force provide us with a response, we will include it within this report.

**We made no recommendations under Schedule 7 of the Local Audit and Accountability Act.**

**We have not raised any other recommendations**

## Advisory notice

We may issue an advisory notice if we believe that the Force has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Force is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

**We have not issued an advisory notice this year**

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Force. Where we raise observations we report these to management and the Joint Audit Committee. The Force is not required to take any action to these, however it is good practice to do so and we have included any responses that the Force has given us.

**02**

# **Audit of the financial statements**



# Audit of the financial statements

Our responsibility is to conduct an audit of the financial statements in accordance with the Local Audit and Accountability Act 2014, Code of Audit Practice and ISAs (UK) and to issue an auditor's report.

However, due to the significance of the matters described below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

We have fulfilled our ethical responsibilities under, and are independent of the council in accordance with, UK ethical requirements including the FRC Ethical Standard.

## Our disclaimer of opinion on the financial statements

We have issued two disclaimer of opinions on the statements on 28 February 2026. We therefore do not express an opinion on the financial statements. The reason for our disclaimer of opinion is as follows:

### **Police & Crime Commissioner for Bedfordshire and the Police & Crime Commissioner for Bedfordshire Group**

*We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date. These areas were carrying value of property, plant and equipment; short term accumulating absences included within short term creditors; the disclosures of Officers' Remuneration, Exit Packages and Senior Officers and Relevant Police Officers Remuneration; the disclosures in the Police Pension Fund Accounting Statement; and the balance of, and movements in, usable and unusable reserves for the year ended 31 March 2024 in relation to both the Group and the Force.*

*In addition, we have been unable to obtain sufficient appropriate evidence over the disclosed comparative figures for the year ended 31 March 2023 due to the Backstop Date. Therefore, we were unable to determine whether any adjustments were necessary to the opening balances as at 1 April 2023 or whether there were any consequential effects on the Group's and the Force's income and expenditure for the year ended 31 March 2024.*

*Any adjustments from the above matters would have a consequential effect on the Group's and the Force's net assets and the split between usable reserves and unusable reserves as at 31 March 2024 and 31 March 2023, and on their income and expenditure and cash flows for the years then ended.*

### **Chief Constable of Bedfordshire police**

*We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date. These areas were short term accumulating absences included within short term creditors, the disclosures of Officers' Remuneration, Exit Packages and Senior Officers and Relevant Police Officers Remuneration; the disclosure in the Police Pension Fund Accounting Statement; and the balance of, and movements in, usable and unusable reserves for the year ended 31 March 2024.*

*In addition, we have been unable to obtain sufficient appropriate evidence over the disclosed comparative figures for the year ended 31 March 2023 due to the Backstop Date. Therefore, we were unable to determine whether any adjustments were necessary to the opening balances as at 1 April 2023 or whether there were any consequential effects on the Constabulary's income and expenditure for the year ended 31 March 2024.*

*Any adjustments from the above matters would have a consequential effect on the Constabulary's net assets and the split between usable reserves and unusable reserves as at 31 March 2024 and 31 March 2023, and on its income and expenditure and cash flows for the years then ended.*

**The full audit reports are included in the Annual Report and Accounts for 2023/24 which can be obtained from the entity website.**



# Audit of the financial statements



The table below summarises the key financial statement audit risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit.

| Significant financial statement audit risk   | Procedures undertaken   | Findings   |
|--|---|--|
| <p><b>Management override of controls(a)</b></p> <p>Fraud risk related to unpredictable way management override of controls may occur</p>  | <p>Our audit methodology incorporates the risk of management override as a default significant risk.</p> <ul style="list-style-type: none"> <li>We evaluated accounting estimates and have not identified any indicators of management bias in these nor did we identify any significant unusual transactions that impacted both our assessment or response to this area of significant risk.</li> <li>We assessed the underlying assumptions used to prepare accounting estimates.</li> <li>We evaluated the selection and application of accounting policies.</li> <li>We analysed all journals through the year end focussing our testing on those with a higher risk, such as journals impacting non pay expenditure and journals impacting on cash.</li> </ul>   | <p>We did not identify any material misstatements relating to this risk.</p> |
| <p><b>Valuation of post retirement benefit obligations</b></p> <p>An inappropriate amount is estimated and recorded for the defined benefit obligation (risk not applicable for PCC)</p> | <p>We have performed the following procedures:</p> <ul style="list-style-type: none"> <li>Evaluated the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;</li> <li>Performed inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;</li> <li>Agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;</li> <li>Challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality life expectancy against externally derived data;</li> <li>Confirmed that the accounting treatment and entries applied by the Group are in line with the IFRS and the CIPFA Code of Practice;</li> <li>Considered the adequacy of the Group’s disclosures in respect of the sensitivity of the deficit or surplus to these assumptions;</li> <li>Evaluated the design and implementation of controls in place for the Group to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;</li> </ul> | <p>We did not identify any material misstatements relating to this risk.</p> |

# Audit of the financial statements



The table below summarises the key financial statement audit risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit.

| Significant financial statement audit risk  | Procedures undertaken   | Findings   |
|---|---|--|
| <p><b>Fraud risk from expenditure recognition</b></p> <p>Liabilities and related expenses for purchases of goods or services are not completely identified and recorded (risk not applicable for PCC)</p> | <p>We have performed the following procedures:</p> <ul style="list-style-type: none"> <li>We evaluated the design and implementation of controls for developing manual expenditure accruals at the end of the year to verify that they have been completely and accurately recorded;</li> <li>We inspected a sample of invoices of expenditure, in the period around 31 March 2024, to determine whether expenditure has been recognised in the correct accounting period and whether accruals are complete;</li> <li>We selected a sample of year end accruals and inspect evidence of the actual amount paid after year end in order to assess whether the accruals have been accurately recorded;</li> <li>We have performed a retrospective review of prior year accruals in order to assess the completeness with which accruals had been recorded at 31 March 2023 and consider the impact on our assessment of the accruals at 31 March 2024.</li> <li>We also compared the items that were accrued at 31 March 2023 to those accrued at 31 March 2024 in order to assess whether any items of expenditure not accrued for as at 31 March 2024 have been done so appropriately.</li> </ul> | <p>We did not identify any material misstatements relating to this risk.</p> |

**03**

# **Value for Money**



# Value for Money



## Introduction

We are required to consider whether the Force has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or ‘value for money’. We consider whether there are sufficient arrangements in place for the Force for the following criteria, as defined by the National Audit Office (NAO) in their Code of Audit Practice:



**Financial sustainability:** How the Force plans and manages its resources to ensure it can continue to deliver its services.



**Governance:** How the Force ensures that it makes informed decisions and properly manages its risks.



**Improving economy, efficiency and effectiveness:** How the Force uses information about its costs and performance to improve the way it manages and delivers its services

## Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor’s Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Force. We make performance improvement observations where we identify opportunities to improve in areas where we have not identified any weaknesses.

## Summary of findings

|  | Financial sustainability           | Governance                         | Improving economy, efficiency and effectiveness |
|--|------------------------------------|------------------------------------|---|
| <b>Commentary page reference</b>                 | 13                                 | 15                                 | 17  |
| <b>Identified risks of significant weakness?</b> | ✓ Yes                              | ✗ No                               | ✗ No  |
| <b>Actual significant weakness identified?</b>   | ✗ No                               | ✗ No                               | ✗ No  |
| <b>2022-23 Findings</b>                          | No significant weakness identified | No significant weakness identified | No significant weakness identified              |
| <b>Direction of travel</b>                       | ↔                                  | ↔                                  | ↔   |

# Value for Money



## National context

We use issues affecting Police Forces nationally to set the scene for our work. We assess if the issues below apply to this Police Force.

### Financial performance

In recent years, police forces have faced a challenging environment with increasing demands alongside significant budget reductions. Government funding cuts have forced forces to make difficult decisions about service priorities and resource allocation. This has driven innovation, with forces exploring new partnerships and alternative funding sources to maintain operational effectiveness. Examples include developing social enterprises utilising police expertise, such as security training or cybercrime prevention consultancy. Additionally, forces are actively seeking alternative funding streams, including charitable donations, community fundraising initiatives, and seizing criminal assets to support policing activities.

However, this increased reliance on alternative funding sources presents both opportunities and challenges. There are concerns about over-reliance on these income streams, which could lead to uneven service delivery and vulnerabilities if the funding sources prove unstable. Furthermore, ethical considerations are paramount, ensuring transparency and accountability in the use of alternative funding sources to maintain public trust. In extreme cases, forces may face significant financial challenges, requiring intervention from the Home Office or other external bodies.

### Professional standards

Maintaining public trust is paramount for any police force. Financial stability and the responsible use of public funds are crucial for upholding this trust. All financial decisions and activities must be conducted with the highest ethical standards and in accordance with relevant legislation and regulations. Transparency and accountability are essential, with clear and transparent reporting on financial performance and the use of public funds crucial for ensuring public and political accountability. Furthermore, continuous improvement is vital, with forces constantly reviewing and improving their financial management practices to ensure efficiency, effectiveness, and sustainability.

## Local context

The Bedfordshire Police and Crime Commissioner (PCC) and Chief Constable (CC) serve the local community with various policing services. The Force operates within a challenging financial environment, similar to other Home Office forces experiencing financial pressures.

### Financial Performance:

The financial performance of Bedfordshire Constabulary, like many other police forces, has been impacted by budget constraints in recent years. Funding cuts have necessitated careful resource allocation and a focus on finding efficiencies. Maintaining financial stability while ensuring effective policing services remains a key challenge for the force.

### Professional standards:

The recent HMICFRS inspection report on Bedfordshire Constabulary, published in September 24, found the force "requires improvement" in investigating crime and adequate in several key areas. While the force was commended for its work in preventing crime and supporting its workforce, concerns were raised about its response times and the effectiveness of its investigations into serious crimes such as homicide and sexual offences.

# Financial Sustainability



## How the Force plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Force ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Force plans to bridge its funding gaps and identifies achievable savings;
- How the Force plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Force ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Force identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

## Financial planning:

The Group has a statutory duty to breakeven within the budget. The budget setting process involves stakeholders at all levels of management hierarchy and takes place as part of the annual business planning process.

The Group formulate a “Medium Term Plan” (MTP) encompassing the financial implications of the known challenges encountered to maintain current operations whilst pursuing the goals and objectives. The MTP takes into account the financial forecast, encompassing both internal and external resources, over the medium term, and serves as the foundation for compiling the budget for the ensuing years.

A revenue budget is prepared alongside a capital program that are both strategically aligned with the aims and objectives outlined in the MTP. This process takes into consideration local pressures as well as efficiency savings necessary to achieve the aims and objectives. It is seamlessly integrated into the annual budget setting process.

The budgets and MTP undergo review and approval by the Force Executive Boards (FEB) and the Police and Crime Panel (PCP). This multi-tiered approval process ensures thorough consideration of the budgets by key stakeholders across all levels within the organisation. Presenting reports at these meetings facilitates open discussion, allowing for issues to be raised, deliberated upon, and appropriate actions agreed upon. Subsequently, these actions are monitored for implementation through the Committee action takers.

## Monitoring of ongoing financial performance:

Various stakeholders including the Performance Board and the FEB closely monitor and scrutinise the financial position and the funding gaps. Significant variances and cost-saving plans are subject to review and scrutiny by the FEB. Monthly budget monitoring reports are provided and present at monthly performance review meetings, where the budget performance undergoes detailed examination and review.

... *Continued*

# Financial Sustainability

... Continued

Each budget manager will need to submit a written report to the Chief Financial Officer, detailing the estimated outturn against the budget on a line by line basis. This report should also provide explanations for any variations and propose remedial actions to address these variations.

The MTP presented in November highlighted a shortfall of between £2.6m and £4.2m in 2024/25, with projected funding gaps of approximately £3m per annum in subsequent years. Multiple iterations of the proposed budget have been evaluated, leading to adjustments to ensure a balanced budget presentation. The MTP underwent regular review and updates to reflect actual figures. In December, the MTP was revised to reflect the current economic situation and any movements, resulting in an improvement with gap reduced to £1.7m. For instance, the council tax rate increase does not meet the expectations, contributing to the widening of the funding gap. However, the improved funding position helped to mitigate this gap.



# Governance



## How the Force ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Force monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Force approaches and carries out its annual budget setting process;
- how the Force ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Force ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Force monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

## Risk management

The OPCC has a risk management process in place, which allows the OPCC to identify and monitor risks. All identified risks are subject to scrutiny and challenge to ensure an appropriate risk score and mitigations in place. Our review of the risk register found this was sufficiently detailed to effectively manage key risks, and sufficiently actions identified which set out how the PCC intends to achieve a target risk level. Relevant reporting of current and open risks takes place on a regular basis to Joint Audit Committee.

## Financial Planning/ Monitoring

Please see page 13 and 14 for our assessment of these arrangements.

## Framework of control and audit arrangements

The Group has a number of policies and frameworks in place, including gifts and hospitality policy. These are regularly updated and ensure compliance with expected behaviours throughout the Group.

The Group have in place the role profiles and BCH financial regulations, which are aligned to best practice and show clear delegated responsibilities. There are Terms of References for the sub- committee including Performance Board and Joint Audit Committee which are reviewed on regular basis to ensure they remain fit for purposes.

Internal audit services are outsourced by the Group, covering both Bedfordshire specifically and BCH level reviews. Detailed management responses and action plans are devised to address any deficiencies identified in the audit recommendations.

... *Continued*

# Governance

... Continued

## Decision Making

The OPCC operates under the oversight of governance boards responsible for managing and approving critical decisions. The decision making process is in line with Terms of References for each Committee. The key decisions made by the Joint Audit Committee and the Performance Board are reported to the Force Executive Board meetings.

The Police and Crime Panel scrutinise decisions made by the OPCC and the meetings are available for public to attend.

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# Improving economy, efficiency and effectiveness



## How the Force uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Force evaluates the services it provides to assess performance and identify areas for improvement;
- how the Force ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Force commissions or procures services, how it assesses whether it is realising the expected benefits.

## Planning and delivery of efficiency plans

The PCC have Priority Based Budgeting (PBB). This process entails identifying both demand pressures and potential savings, as well as evaluating service levels to determine where savings can be made or where enhancements are warranted while still achieving the objectives.

Budget savings are reported through monitoring reports presented to the Force Executive meetings. A comprehensive review of the 2023/24 Group's outturn report, indicates that savings and efficiencies are progressing well for the upcoming year, with ongoing efforts to develop saving proposals for future years underway.

## Performance reporting

Performance is benchmarked to identify and drive improvements across all aspects of the PCC. Internal and external sources are used depending on the type of activity, including utilising outliers reports provided by CIPFA.

Performance of services at the PCC is considered at a wider range of meetings and sub-committees, with actions inherently considered as part of discussions at different levels.

## Response to reports from regulators

The most recent police efficiency, effectiveness and legitimacy (PEEL) inspection was released in September 2024. The Group has proactively addressed the recommendations, primarily, concerning areas "Responding to the public". The Group's Learning, Demand and Futures Board provides governance for the Force's response to all areas for improvement and causes for concern in PEEL inspection reports.

# Significant Value for Money Risk



## 1 Funding gap in MTFP

Risk that value for money arrangements may contain a significant weakness linked to financial sustainability

### Significant Value for Money Risk

#### Description

Upon reviewing the budget for FY 2024/25, we identified an estimated shortfall of £7,236k. However, this is expected to be offset through savings and increased grant funding. For FY 2025/26, a budget gap has been projected with further shortfall of £2,884k and £2,883k forecasted for FY 2026/27 and FY 2027/28, respectively.

While the FY 2024/25 budget achieves a balanced position, the funding gaps for FY 2025/26 and FY 2026/27 have increased by £1,884k and £1,883k compared to the forecasts outlined in the FY2023/24 budget.

The increased funding gap highlights a potential risk that the Group may not have sufficient arrangements in plan to effectively mitigate the shortfall in future years.

### Our response

#### Response

We will perform the following procedures:

- Evaluate the Group has developed appropriate savings and efficiency arrangements to mitigate funding gap in future years;
- Review budget monitoring reports in the period to year end, specifically considering the overspend during the year, if have any
- Review reserves strategy and assess whether sufficient reserves level is retained and if have any additional reserves need be utilized to mitigate funding gap

### Our findings

#### Findings

As outlined in the FY2023/ 24 budget, the Group planned to transfer £500k from the budget assistance reserve, which aligns with the actual year-end financial results. In the 2024/25 MTFP, no reserve usage was planned to address the funding gap. However, from FY 2025/26 onwards, the use of the budget assistance reserves will be necessary. A review of the reserve strategy indicates that the Group has estimated reserves at 3% of the net revenue budget which is deemed appropriate.

A review of the FY2023/24 outturn report indicates that an underspend of £425k was achieved, primarily driven by planned and managed savings within a specific project. This outcome demonstrates that the Group's budget and reserve strategy were effectively reflected in actual results and that the Group remains on track with its efficiency and saving plans.

#### Conclusion

Based on the findings above we have not identified any significant weaknesses in arrangement.



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